GOVERNMENT OF INDIA
AGRICULTURE
LOK SABHA

UNSTARRED QUESTION NO:3738
ANSWERED ON:21.03.2001
PRICE STABILISATION POLICY
MALYALA RAJAIAH

Will the Minister of AGRICULTURE be pleased to state:

(a) whether the Government are in the process of working out a price stabilisation Policy (arrangement) to check repid fluctuation in market price of farm produce particularly that of cach crops;

(b) if so, whether it is likely to help farmers; and

(c) the time by which final decision is expected in this regard and the likely benefits to the farmers?

Answer

MINISTER OF STATE IN THE MINISTRY OF AGRICULTURE (SHRI SHRIPAD Y. NAIK)

(a) to (c) In order to stabilize prices of agricultural commodities, the Government is already implementing Agricultural Price Policy. The Government fixes each season the minimum support prices (MSPs) for major agricultural commodities.The MSPs aredecided by using a methodology evolved over the years. The Government decides onthe MSPs for various agricultural commodities taking into account the recommendations of the Commission for Agricultural Costs & Prices (CACP), the views of StateGovernments and Central Ministries as well as such other relevant factors, which in the opinion of the Government are important for fixation of the MSPs. Whenever prices fall below MSP level, the specified nodal agencies enter the market and undertake procurement. For commodities not covered under MSP, Market Intervention Scheme(MIS) is under implementation having the same objective of price stabilization. Instruments of trade are also being used to check fluctuation in domestic prices.